

## CITY COUNCIL REPORT

DATE: April 20, 2015

TO: Mayor and Councilmembers

FROM: Mark Landsiedel, Community Development Director  
Michael Scheu, Building Official

CC: Jeff Meilbeck, Josh Copley, Jerene Watson, Leadership Team

SUBJECT: BUILDING PERMIT DEPOSITS

This report is to inform the Council that the Building Safety Program will be changing the timing of plan review fee collection. Numerous plans continue to be reviewed, approved and then not picked up. We continue to lose plan review fee revenue, in spite of the changes we made a few years ago to mitigate this problem. Current deposits are based on the valuation of the improvement and range from \$0 to \$450. Beginning June 1, 2015, staff will begin to collect 100% of the plan review fee at the time the plans are submitted for review. This will completely eliminate the possibility of lost revenues and is included in the City Manager's proposed budget as an increased revenue source.

### DISCUSSION:

In FY14, a number of building plans were submitted for a building permit, were reviewed by staff, prepared for issuance, but the applicant never picked up the permit. The current practice is to contact the applicant after 6 months to determine the status of the project. During FY14, the total plan check fees for residential and commercial projects that were completed and prepared for issuance totaled \$427,936. Of those fees for work completed, the City collected \$394,994, leaving the City with a deficit of \$32,942 due to the cancelation of projects or permits simply not being picked up.

### RECOMMENDATION / CONCLUSION

The Building Safety Program will be changing the deposit that the client pays when submitting their plans for a building permit. The new practice will be to collect 100% of the estimated plan check fee as shown on the estimated plan review fee sheet (see attached). Please note that there are no new fees. The City will collect the plan review fee upfront so as to eliminate the loss of revenue for work completed but not picked up by the applicant. Other Arizona Cities and Towns have also been collecting the plan check fee at plan submittal.

The proposed change was presented at a monthly meeting with the Northern Arizona Builders Association (NABA). The NABA members at this meeting understood the issue and strongly supported this action.

This report is for information only.

**ESTIMATED PLAN REVIEW FEES (round up)**

<b>Valuation</b>	<b>Plan Check</b>	<b>Valuation</b>	<b>Plan Check</b>	<b>Valuation</b>	<b>Plan Check</b>
\$ 1-500	17.64	42,000	346.80	97,000	730.43
600	19.93	43,000	354.38	98,000	735.69
700	22.22	44,000	361.96	99,000	740.95
800	24.51	45,000	369.54	100,000	746.21
900	26.79	46,000	377.12	110,000	788.03
1,000	29.08	47,000	384.70	120,000	830.02
1,100	31.37	48,000	392.28	130,000	872.01
1,200	33.66	49,000	399.85	140,000	914.00
1,300	35.95	50,000	407.43	150,000	955.99
1,400	38.23	51,000	488.54	160,000	997.98
1,500	40.52	52,000	493.80	170,000	1039.97
1,600	42.81	53,000	499.06	180,000	1,081.96
1,700	45.10	54,000	504.32	190,000	1,123.95
1,800	47.39	55,000	509.57	200,000	1,165.94
1,900	49.67	56,000	514.83	210,000	1,207.93
2,000	51.96	57,000	520.09	220,000	1,249.92
3,000	62.48	58,000	525.35	230,000	1,291.91
4,000	73.00	59,000	530.61	240,000	1,333.90
5,000	83.51	60,000	535.87	250,000	1,375.89
6,000	94.02	61,000	541.13	260,000	1,417.88
7,000	104.53	62,000	546.38	270,000	1,459.87
8,000	115.04	63,000	551.64	280,000	1,501.86
9,000	125.55	64,000	556.90	290,000	1,543.85
10,000	136.06	65,000	562.16	300,000	1,585.84
11,000	146.57	66,000	567.42	310,000	1,627.83
12,000	157.08	67,000	572.68	320,000	1,669.82
13,000	167.59	68,000	577.93	330,000	1,711.81
14,000	178.10	69,000	583.19	340,000	1,753.80
15,000	188.61	70,000	588.45	350,000	1,795.79
16,000	199.12	71,000	593.71	360,000	1,837.78
17,000	209.63	72,000	598.97	370,000	1,879.77
18,000	220.14	73,000	604.23	380,000	1,921.76
19,000	230.65	74,000	609.49	390,000	1,963.75
20,000	241.16	75,000	614.74	400,000	2,005.74
21,000	251.67	76,000	620.00	410,000	2,047.73
22,000	262.18	77,000	625.26	420,000	2,089.72
23,000	272.69	78,000	630.52	430,000	2,131.71
24,000	283.21	79,000	635.78	440,000	2,173.70
25,000	293.72	80,000	641.04	450,000	2,215.69
26,000	301.33	81,000	646.30	460,000	2,257.68
27,000	308.91	82,000	651.55	470,000	2,299.67
28,000	316.49	83,000	656.81	480,000	2,341.66
29,000	324.06	84,000	662.07	490,000	2,383.65
30,000	331.64	85,000	667.33	500,000	2,425.64
31,000	339.22	86,000	672.59	550,000	2,605.17
32,000	346.80	87,000	677.85	600,000	2,782.62
33,000	354.38	88,000	683.10	650,000	2,960.07
34,000	361.96	89,000	688.36	700,000	3,137.52
35,000	369.54	90,000	693.62	750,000	3,314.97
36,000	301.33	91,000	698.88	800,000	3,492.42
37,000	308.91	92,000	704.14	850,000	3,669.87
38,000	316.49	93,000	709.40	900,000	3,847.32
39,000	324.06	94,000	714.66	950,000	4,024.77
40,000	331.64	95,000	719.91	1,000,000	4,202.22
41,000	339.22	96,000	725.17	2,000,000 & Over	8,421.50